FINAL REPORT

Consultancy to
Perform Preliminary Research and Formulate Options
Concerning the Sustainability of South African NGOs

Prepared for: USAID/SA

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Presented by:
Joseph M. Thomas

IGI International

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P R E F A C E

This report is based primarily on a series of interviews conducted by the consultant throughout South Africa during the period May 26 - June 15, 1998. During this four-week period, the consultant interviewed more than 50 persons, including representatives of international donors, foundations and a cross section of NGOs, and reviewed documents and reports on best practices and relevant work performed by others concerning NGO sustainability. A preliminary report of the consultant's findings, conclusions and recommendations was presented to USAID/SA on June 18, and a "draft" final report was submitted on June 26. The feedback from that presentation and from the review of the draft report is reflected in this final report.

The staff of USAID/SA, Macro International, Sedibeng and PACT provided invaluable guidance and support throughout this consultancy. All persons interviewed were very cooperative and generous with their time, and their information and insights comprised the major input to this report. A complete list of persons and organizations that participated in this process is included in the appendix.

The specified purpose of the consultancy was to determine the long-term needs and interests of the South African NGO community in planning for long-term institutional sustainability, and to provide recommendations and options for future donor support and assistance in this area.

The scope of work (see Appendix B for details) focused primarily on (1) providing guidelines for the mutuality of understanding of the definition and concept of sustainability by both the NGOs and USAID/SA; (2) investigating the efforts and plans of other parties, i.e. donors, foundations, NGOs, etc., to strengthen and develop NGO sustainability; and (3) conducting an informal survey of NGO attitudes and interest in participating in a dialogue concerning sustainability issues, felt needs of NGOs for sustainability, and NGO resource bases to address this issue.

EXECUTIVE SUMMARY

The major themes underlying and unifying the observations and recommendations in this report are the dynamic nature of the system of NGOs in South Africa, the core role of that system in civil society, the relationship between individual NGOs and the system as a whole, and the impact of donor action or inaction on the system. Simply stated, one should not make policies and develop programs of action relating to individual NGOs without fully considering the impact of those policies on the overall system, and inversely, policies and programs aimed at the system must be carefully examined to determine their potential impact on individual NGOs or specific segments of the NGO population.

A series of charts are included in the report to illustrate these dynamic relationships and to establish a shared paradigm or perspective from which decisions can be made about future donor support to the NGO community in South Africa. The first analysis provides a perspective of the NGO system and its role in the larger civil society system. Several conclusions may be derived from this brief systems analysis:

- The purpose of the NGO system within the broader system of civil society is to bridge the gap between the people and those who make policy and distribute resources, i.e. government, donors and the private/corporate sector.

- Any strategy or intervention to promote NGO sustainability should be viewed within the context of this system and with a clear understanding of the system's purpose within civil society.

- It is not necessary to implement a comprehensive strategy or a range of interventions which address needs in all components in the NGO sector. Rather, it is only necessary to ensure that each strategy or intervention will have an overall positive impact on the system.

- Activities which nurture and support the NGO system will be those which stimulate the flow of communication and resources throughout the entire system.

- Strategies should be developed in consultations among all donors, the NGOs and government with a shared understanding of their implications and impacts on the overall system.

- The need for a systematic view of NGOs in civil society does not relate solely to SO1, [*] but cuts across all USAID/NGO programs.

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[*] There are six Strategic Objective (SO) areas under USAID/South Africa's program: (1) Democracy and Governance, (2) Education, (3) Health, (4) Economic Policy Capacity, (5) Private Sector Development, and (6) Housing and Urban Development.

The second analysis focuses on the role of the individual NGO within the larger system, and seeks to identify parameters and conditions for NGO sustainability. This analysis led to several conclusions:

1. Sustainability in the case of development-oriented NGOs does not mean complete independence from government and donor support. Rather, it means that the NGO is able to diversify its income base and introduce complementary and mutually leveraging funding sources. The sustainable NGO becomes an effective middle man, bringing funds from different sources to bear upon the development issue.

2. The management of fee-for-service in an NGO dealing with developmental projects and beneficiaries is complex and dynamic. Donors need to assist NGOs to find effective strategies for varying fees based on ability-to-pay, and where feasible, providing services to non-developmental customers.

3. The role of the NGO as middle man between beneficiaries and donors precludes them from the straight forward deal-making conducted in the private sector. The idea that we simply need to teach NGOs how to function like a business is a myth.

4. Perhaps more important than cost recovery through fee-for service are other resource-generating activities such as use of volunteers, in-kind donations, cost reduction, cost-sharing through collaboration, corporate contributions, etc.

5. The NOGs that will be most successful with the above resource-generating activities, are those that are constituency-driven and have strong communication/ outreach capability. Likewise the organization's image must be positive and credible. When an organization loses touch with the people whose interests it represents, it eventually becomes ineffective in attracting the grassroots support needed for sustainability. "Losing touch" can occur in many ways including loss of credibility within the constituency. Another example occurs when NGOs shift their attention away from their constituency and towards the donor community. To maintain its linkages, NGOs must be driven by the needs of its constituency and not by donors' agendas.

6. NGOs that are able to clearly define and communicate their mission and positive results will do best at attracting supporters and resources. Hence, there are distinct benefits to defining a clear niche within the NGO and civil society systems. This niche will be helpful in attracting both local and donor support.

7. Another important consideration for NGOs is building collaborations with the private sector and with other NGOs. One way to reduce costs is to share them. Collaboration also serves to expand the constituency base and the organization's level of credibility. Another obvious advantage is that NGOs are better positioned to compete for donor funds when they team-up with other NGOs that have complementary specialties.

Based on these analyses, discussions with more than 50 people in South Africa, and a review of many reports and documents shared with us, four somewhat general and overarching recommendations emerge:

1. There is need to focus more attention and resources on strengthening and supporting grassroots NGOs. Donors must find ways to get more resources down to grassroots NGOs, not just major/national NGOs.

2. South African NGOs must be able to attract more financial support from the S.A. Government and the private/corporate sector, as well as finding more creative ways to generate a wide range of local resources, including volunteers, in-kind contributions, community fund raising, and direct cost recovery.

3. All NGO grants, contracts (or endowments) should be designed to incorporate policies, guidelines, etc. that encourage and support NGOs to develop and strengthen those characteristics relevant to sustainability.

4. There is a need to encourage and facilitate more collaboration and cooperation at all levels, among NGOs, with government and donors, etc. This is especially applicable to development of sustainability strategies and support programs, and it is consistent with stated South Africa Government priorities to encourage partnerships which can enhance civil society initiatives.

These overarching recommendations provide the basis for a more extensive series of specific recommendations and strategies which are detailed in the body of the report. These specific recommendations are followed by examples of current initiatives underway in South Africa to support NGO sustainability, primarily through partnerships.

NGO SUSTAINABILITY IN SOUTH AFRICA:
Stimulating the NGO System While Promoting Sustainability for Individual NGOs

The major themes underlying and unifying the observations and recommendations in this report are the dynamic nature of the system of NGOs in South Africa, the core role of that system in civil society, the relationship between individual NGOs and the system as a whole, and the impact of donor action or inaction on the system. Simply stated, one should not make policies and develop programs of action relating to individual NGOs without fully considering the impact of those policies on the overall system, and inversely, policies and programs aimed at the system must be carefully examined to determine their potential impact on individual NGOs or specific segments of the NGO population.
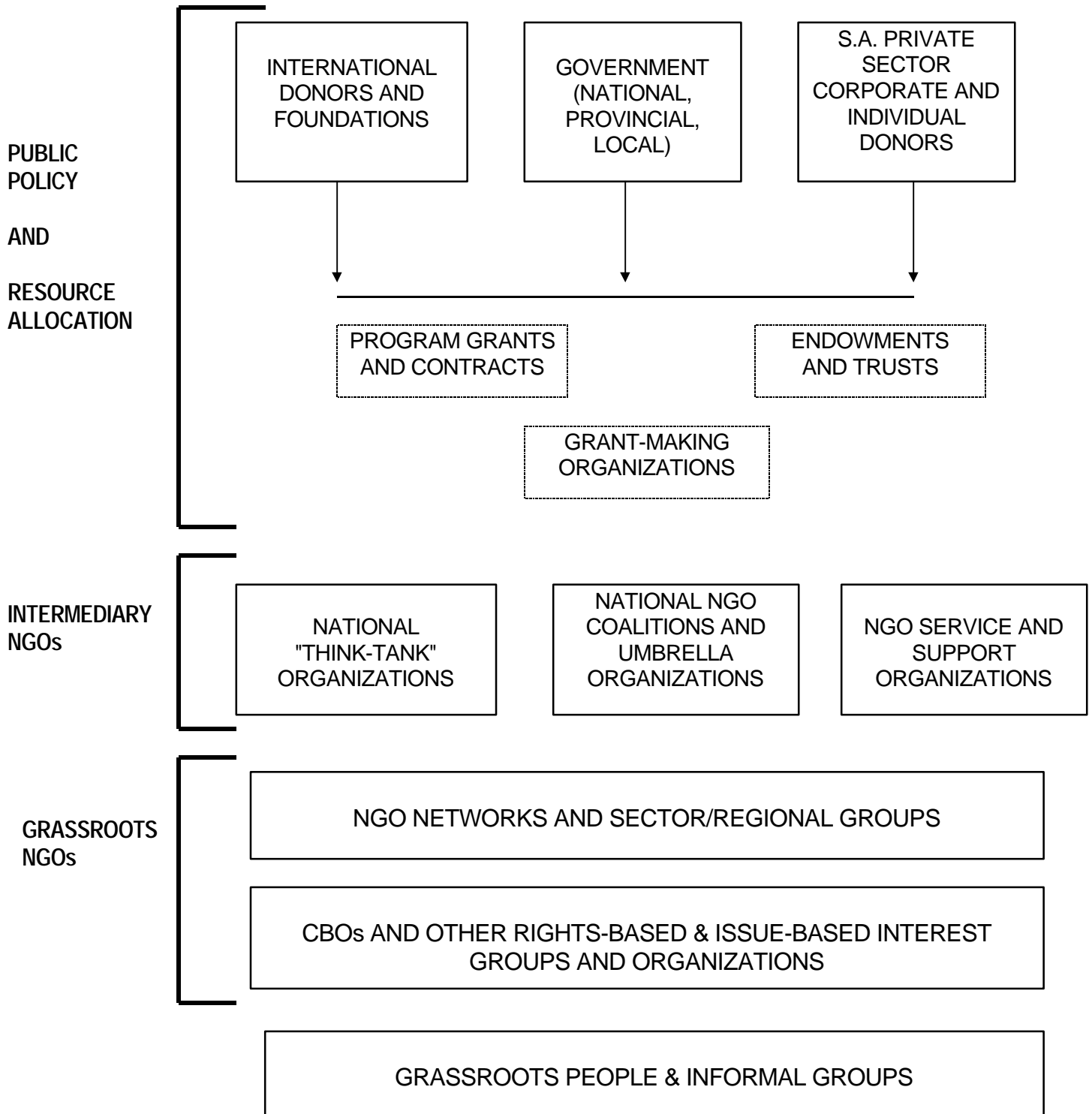
A series of charts are included in this document to illustrate these dynamic relationships and to establish a shared paradigm or perspective from which decisions can be made about future donor support to the NGO community in South Africa. A commonly-shared perspective enables discourse and increases the likelihood of achieving consensus, not just among donors or between donors and the government, but also among the various divisions of donor organizations. For example, within USAID, all Strategic Objectives (SO) engage with NGOs directly or indirectly, and consequently, have an impact on NGOs and the civil society system. However, unified and clearly articulated policies and objectives relating to NGOs do not exist across the SOs. The illustrations and narratives that follow are intended to assist in the creation of this much-needed common ground.

Following clarification of the paradigm or general perspective, we move to observations and recommendations aimed at sustaining the overall system, the various types of NGO groups which comprise that system, and finally the individual NGOs themselves.

A. Roles and Dynamic Relationships Within the NGO System

Chart 1 presents NGOs within the context of a system that lies at the core of a vibrant civil society. This context illustrates the system dynamics and the interdependence of all its parts, and it facilitates one's ability to determine the impact on the overall system of an action or intervention aimed at any <u>one</u> part of the system and vice versa. Likewise, it enables strategic thinking when the objective is to enhance the overall system as well as enhancing sustainability of individual NGOs. The chart is not intended to show any hierarchy among the groups represented.

CHART I: KEY ELEMENTS OF THE NGO SYSTEM WITHIN THE CONTEXT OF THE LARGER CIVIL SOCIETY SYSTEM

PUBLIC POLICY

AND

RESOURCE ALLOCATION

| INTERNATIONAL DONORS AND FOUNDATIONS | GOVERNMENT (NATIONAL, PROVINCIAL, LOCAL) | S.A. PRIVATE SECTOR CORPORATE AND INDIVIDUAL DONORS |

PROGRAM GRANTS AND CONTRACTS

ENDOWMENTS AND TRUSTS

GRANT-MAKING ORGANIZATIONS

INTERMEDIARY NGOs

| NATIONAL "THINK-TANK" ORGANIZATIONS | NATIONAL NGO COALITIONS AND UMBRELLA ORGANIZATIONS | NGO SERVICE AND SUPPORT ORGANIZATIONS |

GRASSROOTS NGOs

NGO NETWORKS AND SECTOR/REGIONAL GROUPS

CBOs AND OTHER RIGHTS-BASED & ISSUE-BASED INTEREST GROUPS AND ORGANIZATIONS

GRASSROOTS PEOPLE & INFORMAL GROUPS

2

The chart layers the system into four major segments:

- Those involved in public policy and resource allocation, specifically the government, the donor community and the private/corporate sector.
- The intermediary NGOs which have sufficient size and clout to engage in direct dialogue with policy makers and donors, including national think tanks, NGO coalitions and umbrella groups, and NGO service and support organizations.
- NGO network and sector organizations and the smaller grassroots NGOs that have the most contact with communities, informal groups and individuals who are key beneficiaries of NGO advocacy and services.
- The people and their informal groups who need assistance from the NGO sector to shape policy and channel resources according to their immediate and long-term needs.
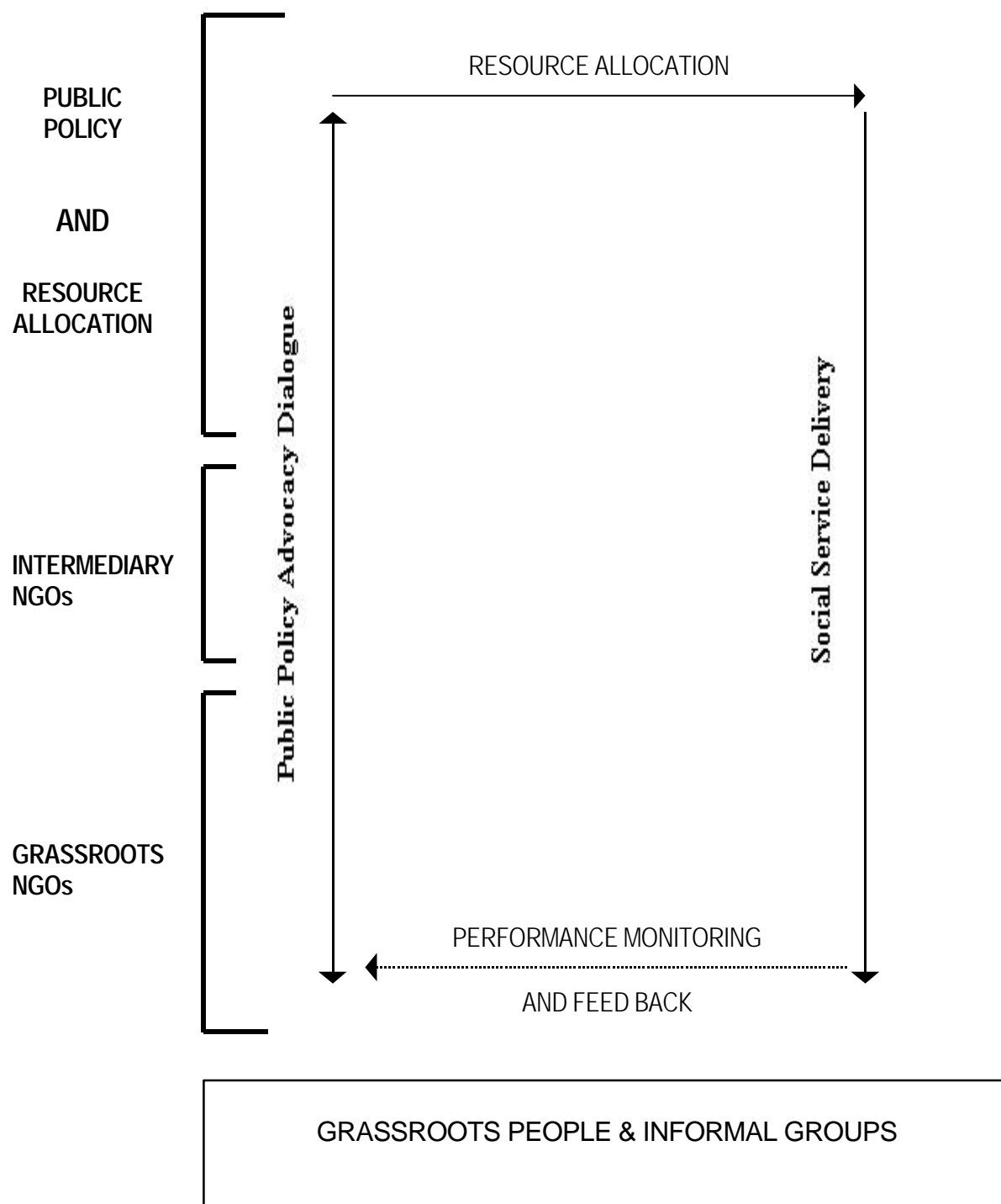
The two middle components (the larger NGO coalitions and think tanks, and the grassroots NGOs) are equally vital to successful functioning of the system. It is through their interaction that the system achieves its primary function, which is communication of grassroot needs upward to donors/policy makers and dissemination of resources and services from donors and government to the people in need. While on the surface this interdependent relationship appears obvious, decision-making by those dispensing policy and resources does not always reflect adequate understanding of the dynamics involved.

Chart 1 is not intended to provide a comprehensive or infallible view of the system. Not every element of the independent sector is clearly represented. Nor is it our intention to imply that the various NGO functions as defined are always clear-cut and separate. In fact, in the "real world", few entities fit neatly into a single box. The chart simply illustrates the role played by various types of NGOs in the flow of communication and resources.

For those wishing to nurture and support the NGO system, <u>stimulation of the flow of communication and resources is the critical focus</u>. Like clogged arteries, the system can be impeded or become stagnant. Important needs may not be communicated from the people to the donors, and resources may not make it all the way through the system to the people.

This flow, essential to the system's overall mission/purpose, is illustrated in Chart 2 on the following page.

CHART 2: DUAL ROLES OF THE NGO SYSTEM IN CIVIL SOCIETY AND THE FLOW OF COMMUNICATION AND RESOURCES WITHIN THE SYSTEM

PUBLIC
POLICY

AND

RESOURCE
ALLOCATION

INTERMEDIARY
NGOs

GRASSROOTS
NGOs

RESOURCE ALLOCATION

Public Policy Advocacy Dialogue

Social Service Delivery

PERFORMANCE MONITORING

AND FEED BACK

GRASSROOTS PEOPLE & INFORMAL GROUPS

Within the context of the system, we see the dual role of the NGO system:

- advocacy on behalf of the people (the communications function), and
- provision of much-needed services (dissemination of resources and information).

Some NGOs may focus on one role more than another or in a few cases, one role exclusively, but the NGO system involves both roles in an ongoing, interactive process.

The principle objectives of public policy advocacy are to:

- help people, particularly the poor and disadvantaged, to have their voices heard by policy makers
- inform and influence decisions about what to do and the priorities for resource allocation
- provide feedback to the people on government priorities and policy decisions as a mechanism for maintaining dialogue.

While "politics" are an important element in this process, so is two-way communication throughout the system. In other words, advocacy and think tank groups must draw information up from the grassroots (their constituency) and shape that into effective advocacy for communication to donors and government. Similarly, communication to grassroots organizations is vital to the stimulation of information flow (and general education) relating to policy and resources.

For example, instead of simply giving funds to a think tank organization to conduct a study on a development issue which it will then present to the government, the donor could structure the "think tank" grant or contract to require:

- interaction with relevant NGO networks and grassroot groups to help shape the agenda and direct the study in a way that is more responsive to their needs, priorities, etc.
- seeking ways to involve representatives from networks, grassroots, etc. in the process of the study/analysis
- working with NGO umbrella groups, networks, etc. to organize conferences in order to review results of the study and plan cooperative efforts to disseminate information, build public awareness and support.

For those NGOs focusing primarily on resource dissemination through service delivery, their success is dependent upon the flow within the system. While their focus is primarily on interaction with their constituency (those who need the services), these NGOs must attract the attention of government and donors and affect their policies and priorities in order to ensure that the needed resources will be provided and channeled through them.

For this reason, there are few NGOs that are purely advocacy-based or purely service providers as illustrated in Chart 3.

CHART 3:   RANGE OF MISSION/PURPOSE OPTIONS FOR NGOs

POLICY ANALYSIS AND ADVOCACY			SOCIAL SERVICE DELIVERY					
"Think-Tanks"	Policy Dialogue Support and Facilitation	Rights-Based and Interest Group Advocacy	Capacity Building		Support and Facilitation		Direct Service Delivery	
			Info-Exchange	Training & T.A.	Tenders	Service Delivery		

"PURE"
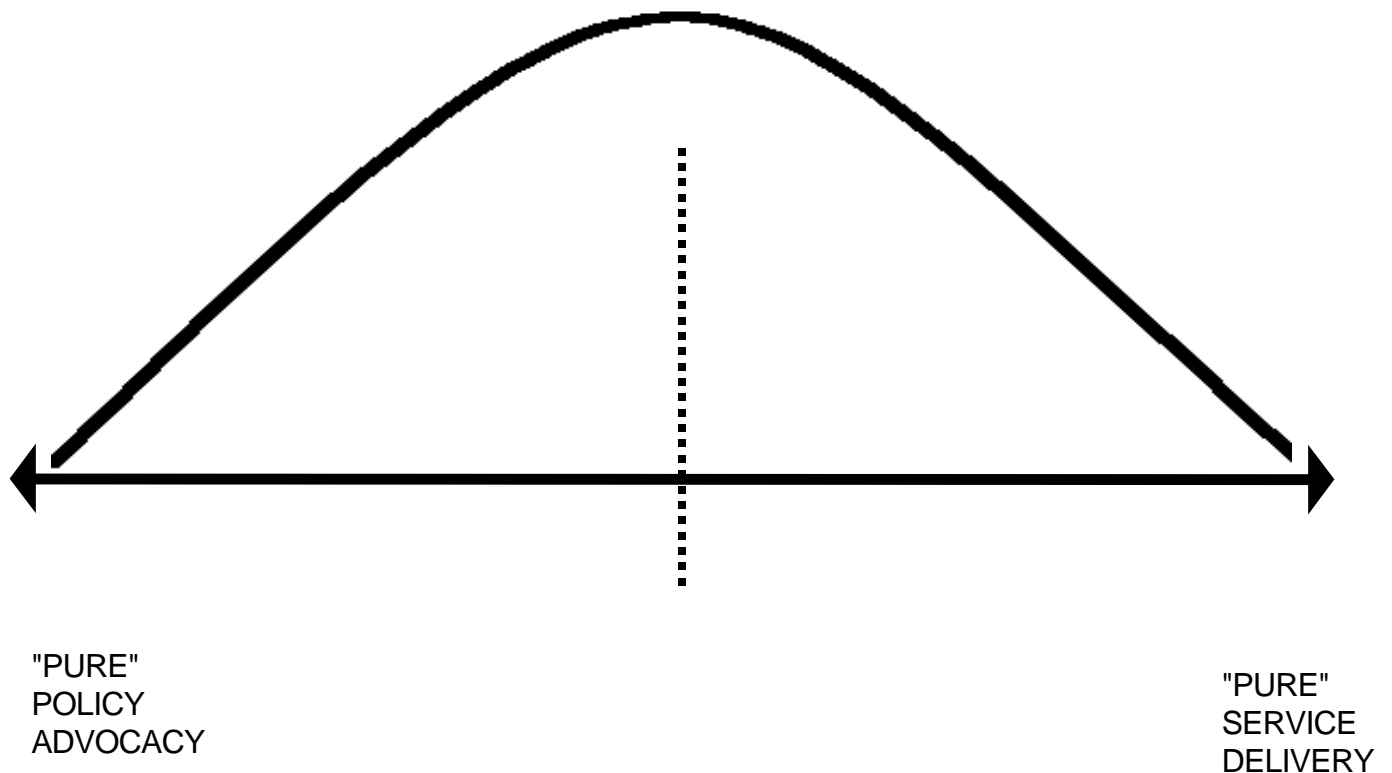POLICY
ADVOCACY

"PURE"
SERVICE
DELIVERY

Chart 3 illustrates the false dichotomy of any assumption that the NGO sector can be separated neatly into two groups: service delivery NGOs and advocacy NGOs.
A few NGOs may be purely one or the other, but most, especially those closer to the grassroots, do a combination of both. Within the two main categories there can be variations in the mix of activities in the NGO mission.

Most grassroots NGOs tend to be clustered in the broad middle, with an emphasis on advocacy and a need for service delivery in order to be sustainable. For example, an informal grassroot group may evolve into an NGO for a brief period to address an important, immediate issue and then fade away. To maintain and sustain itself over a longer term, the NGO must become involved in activities which attract resources, not only from donors and government, but also from its constituency. Donor support alone can provide "artificial life support" for a period of time, but for long-term sustainability the NGO must attract constituency support. Eventually, even continued donor support will be dependent upon the degree to which the NGO has developed a viable constituency. To summarize this point:

-- The "advocacy" role of NGOs is justified and sustainable to the extent that the NGO effectively and legitimately represents the interest of a constituency.

-- The "service delivery" role of NGOs is justified and sustainable to the extent that resources and services get to the intended constituency in a way that effectively meets their needs.

Several conclusions may be derived from this brief systems analysis:

- The purpose of the NGO system, within the broader system of civil society is to bridge the gap between the people and those who make policy and distribute resources, i.e. government, donors and the private/corporate sector.

- Any strategy or intervention to promote NGO sustainability should be viewed within the context of this system and with a clear understanding of the system's purpose within civil society.

- It is not necessary to implement a comprehensive strategy or a range of interventions which address needs in all components in the NGO sector. Rather, it is only necessary to ensure that each strategy or intervention will have an overall positive impact on the system.

- Activities which nurture and support the NGO system will be those which stimulate the flow of communication and resources throughout the entire system.

- Strategies should be developed in consultations among all donors, the NGOs and government with a shared understanding of their implications and impacts on the overall system.

- The need for a systematic view of NGOs in civil society does not relate solely to USAID's Democracy and Governance Program, but cuts across all USAID/NGO programs.

B. Individual NGO Sustainability

Just as clarifications of terms and perspectives were needed to cogently discuss the NGO system, similar clarifications are needed to discuss and develop strategies for sustainability of individual NGOs. Once again, a series of charts will be used to illustrate several key points:

1. NGOs involved in services and advocacy for the poor and disadvantaged will always require government and donor support. Hence, for these organizations, sustainability or self-sufficiency is defined as the organization's ability to combine government and donor support with other forms of income generation in a manner that enables them to sustain operations for a long period of time.

2. There is a growing "business mentality" among many NGOs that is reflected in their use of aspects of a business strategic approach to facilitate planning and sustainability. But the nature of the "middle man" role played by NGOs elevates the complexity of their task beyond the deal-making role of private sector for-profit companies. Hence, the path to self-sufficiency cannot be equated with that of private business, an analogy that has become commonplace when talking about NGOs.

3. The degree to which development-oriented NGOs can achieve direct cost recovery for services is probably far more limited than donors would like to imagine. Hence, the fee-for-service component of income generation needs to be combined with other strategies such as fundraising, cost reduction, cost-sharing, in-kind services, volunteerism, etc. All of these alternative methods involve support from the constituency and those members of the private sector who also have a stake in that constituency and/or development program.

Chart 4 on the following page illustrates the inverse relationship between the degree to which an activity is developmental in nature and the degree to which cost recovery is possible. Simply stated, the more developmental the service or the population being served, the less likely that the beneficiary will be able to pay much more than a token fee for that service.

An element of the chart not clearly illustrated is that the degree of development is not static. If the NGO is doing its work effectively with its constituency, the degree of development should decrease over time; or stated another way, the ability of the beneficiary to pay for the service should slowly increase, making dependence on donor support (at least for that particular service) less necessary.

Also not clear from the chart is the idea that not all those who could use the service comprise the developmental population. A mixture of developmental and commercially viable service users is possible. Likewise, ability to pay will not increase uniformly across the developmental population. Hence, a system that allows NGOs to charge varying rates for services underwritten by donors seems to be a logical strategy.

Historically, donors have not effectively encouraged this gradual evolution from full to partial subsidy of services. Beneficiaries became accustomed to free service and when the donor support was withdrawn, the NGO simply did not survive.

Sustainability, like development, is a gradual process.

Chart 5 addresses a growing misconception that if NGOs can simply learn how to do business in the same manner as the private sector, they will be able to achieve sustainability. They simply need to learn how to read the market forces, compete effectively, and manage their money.
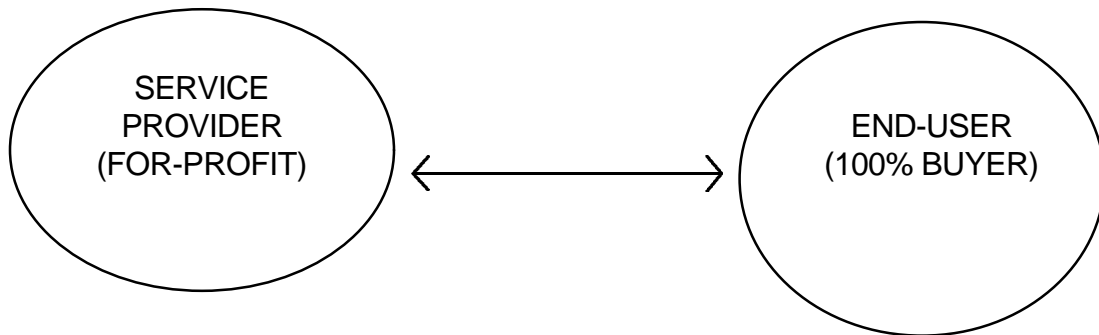
This approach fails to take into consideration the "middle man" role played by NGOs that was described earlier in the systems section of this document. NGOs do not make deals directly with their constituency like the average business. Rather, they must engage in a complex series of steps to:

- accurately read their constituencies' needs
- convey those needs to the donors, government, international foundations, etc.
- convince the donors, etc. to: a) provide the resources and b) channel those resources through them to their constituencies
- then go back and "make the deal," pricing services affordably while determining what is required to keep the organization alive.

Numerous skills are involved in the above steps: constituency interaction and needs assessment, communication and advocacy, proposal writing, project management, financial management, and marketing, just to name a few. When there is third party payer, the levels of difficulty increase dramatically. In effect, the NGOs must perform a delicate balancing act between the agendas of donors and their constituency groups. Such is the case in today's health care environment, where insurance companies (the third party payers) are directly involved in the doctor-patient relationship.

CHART 5:

COMMERCIAL TRANSACTION

SERVICE PROVIDER (FOR-PROFIT) ⟷ END-USER (100% BUYER)

DEVELOPMENT ACTIVITY/SERVICE

SERVICE PROVIDER (NGO) ⟷ END-USER (LIMITED-CAPACITY BUYER)

3rd Party "Payer"
- Government
- Donors
- Others

11
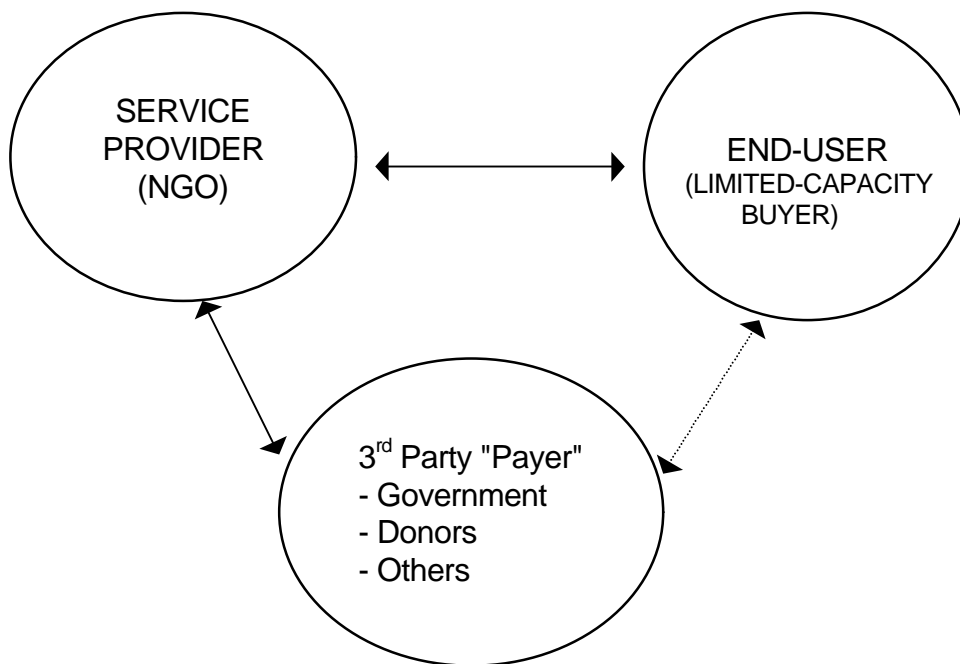
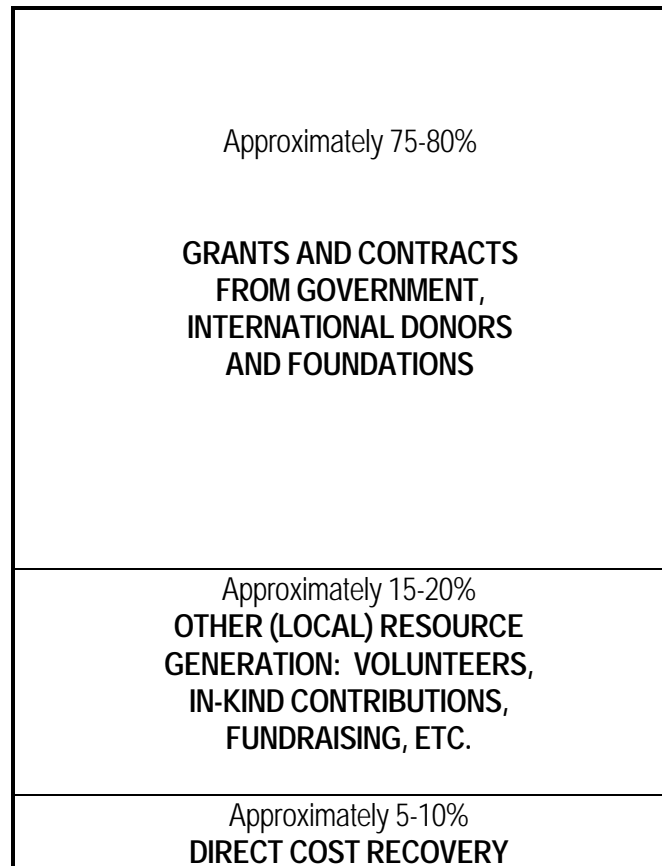Another rising misconception is that NGOs can substantially reduce their dependence on donor and government support through other means of generating income. Chart 6 illustrates what may be a more realistic ratio of various income sources for an NGO with a mission focusing primarily on development projects and constituencies.

CHART 6:   ESTIMATED PERCENT OF OVERALL INCOME BASE FOR EACH POTENTIAL INCOME SOURCE

Approximately 75-80%

**GRANTS AND CONTRACTS
FROM GOVERNMENT,
INTERNATIONAL DONORS
AND FOUNDATIONS**

Approximately 15-20%
**OTHER (LOCAL) RESOURCE
GENERATION: VOLUNTEERS,
IN-KIND CONTRIBUTIONS,
FUNDRAISING, ETC.**

Approximately 5-10%
DIRECT COST RECOVERY

The costs considered in this illustration include overhead, administrative costs and service-related costs. While these percentages are not based on any comprehensive study of NGO sustainability in South Africa, they do represent more realistic expectations of what a sustainable NGO can achieve in ratios of income sources.[1]

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[1] Based on IGI's work in Latin America and elsewhere for over 15 years and with more than 200 NGOs, we have found these percentages to be typical of those NGOs that are on a sustainable track. In the interviews conducted for this assignment with representatives of SA NGOs we confirmed that these percentages were consistent with their experience and/or expectations for sustainable NGOs in South Africa.

An important implication raised by this chart is the importance of allowing NGOs to collect reasonable overhead from the administration of an activity in much the same way that a private sector for-profit business does. While the NGOs are not collecting profit, they need to cover their administrative and overhead costs, at least in part, through their development work. Direct cost recovery will not suffice, and other sources of revenue (or savings) such as use of volunteers, in-kind contributions and corporate donations, rarely cover internal costs. Instead, they tend to reduce the cost of the development project for the donor by introducing local contributions. This capacity to leverage local support along with their close proximity to the beneficiaries (which provides them with knowledge and entre) is what makes NGOs such a viable partner in development.

In the recommendations section, it is proposed that NGOs be given assistance to develop a financial accounting system which will track direct costs, project-related overhead, and general and administrative costs. The incorporation of this later category in the NGO's overhead structure is a critical element of any long-term sustainability strategy. Once the organizations are able to document this type of information, they should be able to negotiate recovery of a reasonable portion of these costs through donor contracts and grants.

The preceding analysis of individual NGO sustainability leads to several conclusions:

1. Sustainability in the case of development-oriented NGOs does not mean complete independence from government and donor support. Rather, it means that the NGO is able to diversify its income base and introduce complementary and mutually leveraging funding sources. The sustainable NGO becomes an effective middle man, bringing funds from different sources to bear upon the development issue.

2. The management of fee-for-service in an NGO dealing with developmental projects and beneficiaries is complex and dynamic. Donors need to assist NGOs in finding effective strategies for varying fees based on ability-to-pay, and where feasible, providing services to non-developmental customers.

3. The role of the NGO as middle man between beneficiaries and donors precludes them from the straight forward deal-making conducted in the private sector. The idea that we simply need to teach NGOs how to function like a business is a myth.

4. Perhaps more important than cost recovery through fee-for service are other cost reduction and resource generating activities such as use of volunteers, in-kind donations, cost reduction, cost-sharing through collaboration, corporate contributions, etc.

5. The NGOs that will be most successful with the above resource-generating activities, are those that are constituency-driven and have strong communication/outreach capability. Likewise, the organization's image must be positive and credible. When an

organization loses touch with the people whose interests it represents, it eventually becomes ineffective in attracting the grassroots support needed for sustainability. "Losing touch" can occur in many ways, including loss of credibility within the constituency. Another example occurs when NGOs shift their attention away from their constituency and towards the donor community. To maintain its linkages, NGOs must be driven by the needs of its constituency and not by donors' agendas. Donors, in turn, can be supportive of NGO sustainability by respecting the mission of their NGO grantees and not pressing an organization to go beyond that.

6. NGOs that are able to clearly define and communicate their missions and positive results will do best at attracting supporters and resources. Hence, there are distinct benefits to defining a clear niche within the NGO and civil society systems. This niche will be helpful in attracting both local and donor support.

7. Another important consideration for NGOs is building collaborations with the private sector and with other NGOs. One way to reduce costs is to share them. Collaboration also serves to expand the constituency base and the organization's level of credibility. Another obvious advantage is that NGOs are better positioned to compete for donor funds when they team-up with other NGOs that have complementary specialties.

While there is no standard approach to building capacity for sustainability in NGOs, some basic characteristics of sustainable NGOs appear to be fairly universal. The logical objective of capacity-building should be to assist NGOs in the development of these general characteristics.

1. <u>Constituency-Driven Governance and Mission</u>

   – Informed, active voluntary constituency empowered to lead
   – Flexibility and responsiveness to evolving needs and priorities of the constituency
   – Broad-based participation and routine leadership rotation[2]

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[2] The underlying premise is that routine leadership rotation in "development-oriented" NGOs is an essential component of a democratic governance structure that attracts a continuous flow of volunteers, facilitates flexibility and responsiveness to evolving needs and priorities, and enhances broad-based participation.

2. Capacity, Efficiency and Productivity

   – Ability to identify and analyze constituency needs, listen to constituency concerns and represent/advocate those concerns to relevant authorities
   – Effective communications skills and strategies
   – Ability to engage in planning with government and donors, and to implement substantive projects
   – Ability to prepare competitive project proposals that reflect distinctive competence and cost-effectiveness
   – Affirmative policy and networks for collaborative action

3. Economic Viability

   – Cost effective administration and service delivery
   – Diverse local resource base (cost recovery, voluntary and in-kind contributions, creative local fundraising)
   – Diverse group of public and private donors
   – Adequate overhead structure and transparent accounting system
   – Ability to develop and implement a resource development strategy/plan, with active constituency support

Despite general applicability of most of these characteristics, no single or best strategy for achieving sustainability can be applied to large numbers of NGOs. For each NGO, the combination of income sources and the methods for generating them will be different. Each NGO must learn the basic principles and then
determine their own strategy for achieving sustainability.

C. Summary of Recommendations for USAID to Support Sustainability of the NGO System

Based on discussions with more than 50 people in South Africa and a review of many reports and documents shared with us, four overarching recommendations emerge:

1. There is need to focus more attention and resources on strengthening and supporting grassroots NGOs. Donors must find ways to get more resources down to grassroots NGOs, not just major/national NGOs.

2. South African NGOs must be able to attract more financial support from the S.A. Government and the private/corporate sector, as well as finding more creative ways to generate a wide range of local resources, including volunteers, in-kind contributions, community fundraising, and direct cost recovery.

3. All NGO grants, contracts (or endowments) should be designed to incorporate policies, guidelines, etc. that encourage and support NGOs to develop and strengthen those characteristics relevant to sustainability.

4. There is a need to encourage and facilitate more collaboration and cooperation at all levels, among NGOs, with government and with donors, etc. This is especially applicable to development of sustainability strategies and support programs, and it is consistent with stated South Africa government priorities to encourage partnerships which can enhance civil society initiatives.

These overarching recommendations provide the basis for a more extensive series of specific recommendations which follow. Although a significant number of recommendations are presented, we recognize that resource limitations and other constraints will require that USAID pursue only the most appropriate and viable of these recommendations.

The specific findings and recommendations are organized in areas, corresponding to the five aspects of the NGO system used in the "NGO Sustainability Index" recently developed by USAID ENI/DGSR. Although there are various similar indices available to assess NGOs (such as the "Organizational Capacity Assessment Tool" recently developed by PACT for SA NGOs) the USAID ENI/DG-SR index has the benefit of focusing sharply on sustainability and looks at NGO sustainability both at the individual organization level as well as in the broader context of the civil society "system".

NGO SUSTAINABILITY INDEX

The Index is a tool to gauge the strength/progress of the South African NGO Sector in the broader context of the Civil Society "System". Five aspects of the sector are examined, but the lines between these five aspects can blur and strength/progress in different aspects is often interrelated.

1. **Legal Environment:** The legal environment dictates what non-governmental organizations are allowed to do. Factors shaping the legal environment include the ease of registration, the legal rights and conditions regulating NGOs, and the degree to which taxation, procurement, information and other laws and regulations benefit or deter NGOs' effectiveness and viability. The extent to which government officials, NGO representatives, and private lawyers have the capacity to work within and improve the legal and regulatory environment is also an essential element.

2. **Organizational Capacity:** The organizational capacity of NGOs determines what they are able to do. One aspect considered is whether there is a presence of an indigenous infrastructure to support NGOs, such as a body of information and curricula on the not-for-profit sector and a core of professionals who are experienced practitioners and trainers of NGO management. The second aspect considered is whether a core group of NGOs exists which boasts well-developed structures and capacity.

3. **Financial Viability:** Factors influencing the financial viability of NGOs include the state of the economy, the extent to which philanthropy and volunteerism are being nurtured in the local culture, as well as the extent to which government procurement opportunities are being developed. The sophistication and prevalence of fundraising and strong financial management skills is also considered, although this overlaps with the organizational capacity angle described above.

4. **Advocacy:** The advocacy aspect looks at NGOs' track record in influencing public policy. The prevalence of advocacy activities in different sectors, at different levels of government as well as with the private sector is analyzed. The extent to which coalitions of NGOs have been formed around issues is considered. The use of the media for advocacy work overlaps somewhat with "public image", described below. Freedom of fear of persecution is a decisive external factor.

5. **Public Image:** The public image of NGOs is broken down into the extent and nature of the media's coverage of NGOs, the awareness and willingness of government officials to engage NGOs, as well as the general public's perceptions of the sector as a whole. The public image of NGOs is influenced by the transparency and accountability of NGOs, which is considered in "organizational capacity."

The recommendations that follow are based on limited information and preliminary analyses, hence more extensive investigation, analysis and consultations are required to test their feasibility and translate them into more detailed designs, plans and resource requirements tailored to the specific context of South Africa.

A very important part of this process should involve consultations with government and with other donors and NGO leaders who are currently addressing many of these same issues related to NGO sustainability. In fact, all the other donors and NGO leaders interviewed have expressed a strong interest in working together on this matter and in many cases are already doing so. Examples of their current collaborations are listed immediately following the recommendations.

1. **Legal Environment**:

   - Recent changes in laws have significantly enhanced the policy/regulatory environment and there are on-going efforts to "fine tune".

   - There is a strong consensus among the donors and NGO representatives interviewed that a change in the S.A. tax structure is needed to enhance the tax deductibility of corporate, individual and estate contributions to NGOs.

   Recommendations:

   - Encourage and support the current cooperative effort of S.A. NGOs to focus attention on this issue.

   - Support the preparation of a study/recommendations for appropriate changes in the tax regime to enhance the tax deductibility of contributions to NGOs, and the corresponding impact on civil society, social service delivery and long-term sustainability of development NGOs.

   - Support a cooperative effort of South African NGO's to disseminate and discuss publicly the results and implications of the study and to encourage public and government support for implementing the recommendations that emerge from this public dialogue.

   - Explore opportunity for an alliance with SAGA and other NGO and foundation leaders currently involved in an effort to develop Community Foundations.

2. **Organizational Capacity:**

-   Most interviewees agreed that there is a well-developed core of South African NGOs at all levels and across all functions of the NGO system.

-   A viable infrastructure exists to provide training and technical assistance in standard organizational development-type capacity building, but there is a need to sharpen the focus of capacity-building specifically on NGO sustainability in the evolving South African environment.

Recommendations:

a. Support Individual NGO Sustainability

For USAID Grantees:

-   Development of policies, guidelines and procedures to be incorporated in all USAID/NGO grants and contracts to encourage, facilitate and support development and implementation of NGO sustainability.

-   Training programs to enhance awareness of USAID staff, especially grant writers and project monitors, about concepts, policies, etc. to promote NGO sustainability.

-   As appropriate/feasible, build into NGO grants and contracts recommended activities and financial support for training and T.A. for long-term sustainability.

-   Work with the appropriate S.A. NGO capacity-building organizations to design and develop "packages" of training and T.A. to offer to USAID grantees (and to other S.A. NGO networks and grassroots NGOs). Topics would address various "characteristics of sustainable NGOs".

-   Work with PACT to build on their "PME & R" model for NGO Capacity Assessment, in order to provide a mechanism for development of a baseline assessment of S.A. NGO status concerning "sustainability", and to establish a methodology/process for monitoring the progress of NGOs in achieving their respective sustainability objectives.

-   Consult with other donors and grant-makers to encourage information exchange and foster a broader application of similar policies and practices to promote NGO long-term sustainability.

For All South African NGOs:

- Support preparation of a survey/study of NGOs to identify existing "best practices" and success stories of South African NGOs that reflect "key characteristics of sustainable NGOs".

- Support a collaborative effort among the South African think-tanks, coalition/umbrella groups, and support groups to disseminate information on best practices of S.A. NGOs, and to assist in adapting and applying these best practices throughout the NGO sector.

- Support a program of staff exchange and internships between South African NGOs, and between NGOs and universities with relevant programs.

b. Foster Collaboration and Enhance Role of NGOs in Social Service Delivery

- Assist in developing and supporting strategies and mechanisms to enhance the proactive role of NGO coalition/umbrella groups in encouraging and facilitating collaborative efforts between NGOs, and with other potential public/private partners on tenders and unsolicited project proposals as well as project implementation.

- Provide an information clearinghouse for sources of funding (i.e. government, donor, foundations, etc.) for potential projects, including information on tendering opportunities.

- Establish and maintain a clearinghouse of information on the mission, constituency base, capabilities and current program portfolio of South African NGOs and other interested/potential private/public partners, foreign NGOs, etc.

c. Strengthen Grassroots NGOs

- Work with the existing NGO "networks" (National Land Committee, Urban Sector Network, Progressive Primary Health Care Network, etc.) to develop strategies and mechanisms for more collaboration between the networks and NGO coalition/umbrella groups, NGO support groups and "think-tanks", in order to enhance the capabilities of NGO networks in advocacy, resource generation and technical assistance for grassroots NGOs.

- Explore ways to foster and facilitate the involvement of relevant grassroots NGOs, CBOs, etc. in the effort to encourage a more effective policy dialogue between local government officials and their respective constituencies and communities.

- Explore ways to foster linkages between grassroots NGOs and the proposed community foundations (in a public dialogue with local government officials) for local level needs assessment, planning and service delivery.

3. **Financial Viability:**

Three recurring needs relating to financial viability emerged from discussions with NGO leaders and other donors:

- The need to develop more realistic and accountable "overhead" structures for NGOs that will allow them to support activities necessary for their long-term sustainability.

- The need for NGOs to generate increased financial support from the S.A. private/corporate sector.

- The need for S.A. NGOs to develop creative approaches for local resource generation (i.e., cash, in-kind services and volunteers, etc.).

Recommendations

a. Develop adequate "Overhead Structures" for NGOs

- Cooperate in and support an effort with other donors and grant-makers, led by S.A. NGOs, to address this issue[3].

- Support the preparation of a study on existing S.A. NGO overhead structures and recommended guidelines for adequate overhead rates, as well as the appropriate financial accounting and reporting systems required to justify these overhead rates, to constituents and donors.

- Support various mechanisms and programs to disseminate the results of this study within the NGO sector, and with donors, government, etc., to build awareness and support for recommended changes.

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[3] The encouragement of "social responsibility" and a "culture of giving" has been and continues to be a key element of fund raising strategies for NGOs. But the approach we recommend is that NGOs should make a "business case" for increased support from the SA private/corporate sector. This is not to discount the value of "charitable" contributions and/or social responsibility. And there are many ways NGOs could enhance their prospects for that type of "giving". But there are also many possibilities to attract funding and other types of support from the private/corporate sector based on very pragmatic mutual interests and benefits.

b. Increase S.A. Private/Corporate Financial Support for NGOs

- Cooperate in and support an effort with other donors, NGO leaders and grant-makers, and led by S.A. NGOs, to address this issue.

- Support a study to examine and develop the "Business Case" to support increased private/corporate support for S.A. NGOs, including recommendations to foster and facilitate mutually beneficial NGO-corporate development partnerships.

- Support the development and implementation of mechanisms and programs (i.e., conferences, workshops, forums, etc.), as well as an appropriate communication strategy/plan, to build awareness and support for the "Business Case" for increased S.A. private/corporate financial support for NGOs.

c. Develop Creative Approaches for Local Resource Generation

This suggestion relates to previous recommendations to strengthen South African NGO capacity for sustainability through development of an indigenous network of services in training, technical assistance, etc. A critical element of this capacity building program would be to encourage and enable NGOs to make the "business case" for increased private/corporate support. Also, mentioned previously under Organizational Capacity is the suggestion to highlight relevant best practices to demonstrate how SA NGOs are successfully applying this "business case" approach to local resource generation.   This recommendation also relates to public image recommendations under item 5, below. In addition, explore cooperating with and supporting current efforts by NGO leaders and donors to develop S.A. community foundations. These could become major sources of funding which are more easily accessible to grassroots NGOs.

4. **Advocacy:**

Most of the people interviewed (and the various reports reviewed) observed that the S.A. NGO system, especially the larger national and sectoral NGOs, were performing well in their advocacy role. But, again, there was strong consensus that more attention and resources should be focused on enhancing the participation and effectiveness of grassroot NGOs at all levels of advocacy (national, provincial and local).

Recommendations:

- Continue and expand support for activities such as "NGO Week" and other conferences, workshops, etc. that encourage and facilitate linkages and collaboration between national NGOs, networks and other grassroot NGOs involved in the public policy dialogue.

- Encourage and support efforts by "think tank" organizations to develop more direct interaction with relevant NGO networks and grassroots NGOs in the preparation of policy analyses, as well as the dissemination and public discussion of the results of these policy analyses through conferences, workshops, forums, etc. with relevant NGO networks and grassroot NGOs.

- Explore ways to foster and facilitate the involvement of relevant grassroot NGOs, CBOs, etc. in the on-going effort to encourage a more effective policy dialogue between local government officials and their respective communities and constituents.

5. Public Image:

This is a cross-cutting issue that affects the effectiveness of NGOs in implementing both their advocacy and service delivery roles, and impacts directly on the ability of S.A. NGOs to generate private/corporate and other local resources to support their organizations and programs.

Several knowledgeable and thoughtful persons with whom we met expressed serious concern that the intensive focus of the news media on instances of ineffective NGO service delivery, as well as corruption, misuse of funds, etc., has created a general lack of confidence in the effectiveness, efficiency and financial accountability of the NGO sector.

Some NGO leaders have already begun to explore ways to address this issue and enhance the public image of and confidence in the NGO sector.

Recommendations:

- Support the efforts of NGO leaders to develop and implement a public awareness and education campaign that will present a more balanced picture of the NGO sector and highlight the important role and contribution of NGOs in maintaining a vibrant S.A. civil society.

- As part of the "sustainability-oriented" capacity-building discussed previously (under Organizational Capacity), encourage and support efforts of USAID grantees to enhance their ability to communicate more effectively with their clients, other NGOs and their respective constituencies.

- Work with the appropriate S.A. NGO capacity-building organizations to design and develop "packages" of training and T.A. to offer to USAID grantees (and to other S.A. networks and NGOs) to enhance their ability to compile and disseminate information about their performance and programs, and that will result in increased participation and support for their respective organizations.

D. NGO SUPPORT ACTIVITIES ALREADY UNDERWAY THROUGH COLLABORATIONS

Interviews and discussions with other international donors and representatives of South African NGOs made it clear that a very serious and active dialogue is underway in South Africa concerning NGO sustainability. Beyond the dialogue, efforts are being planned or implemented in all five of the areas referred to in the "NGO Sustainability Index". Therefore, when contemplating potential strategies to strengthen and develop NGO sustainability in South Africa, USAID will find much to build on and many parties interested in engaging in constructive, collaborative efforts to address this vital issue. For example:

1. **Legal Environment**: South African NGOs have made great strides over the last few years in developing the enabling environment for the NGO sector. At a recent conference in Capetown sponsored by the South African Grantmakers Association (SAGA), there was a long session on the tax law as it relates to tax exemption for NGOs and tax incentives for donors.

2. **Organizational Capacity**: PACT and the four other NGO capacity-building organizations interviewed for this report are all engaged in various forms of training and technical assistance to strengthen and develop NGO sustainability. SANGOCO (in a joint effort with the Human Sciences Research Council) is producing a directory of Southern African NGOs and other development organizations. SANGOCO is also assisting some NGOs to participate in the tendering process and is involved in various programs to enhance the professional development of NGO staff.

3. **Financial Viability**: SANGOCO has been working with CAF to explore new sources of revenue for NGOs and strategies to enhance the financial management and stability of NGOs.   Some NGOs are exploring ways to exchange information and engage in cooperative fundraising networks.   SAGA and some of the major foundations are exploring the applicability of the community foundation concept in South Africa. The European Commission and the British DFID are developing new funding strategies and programs designed to stimulate the NGO system and strengthen and develop NGO sustainability, and especially to direct more resources to the grassroots level. Interfund, with support from the Norwegian Embassy and the cooperation of several South African NGOs, recently sponsored a well-attended workshop focused on NGO sustainability.

4. **Advocacy**: SANGOCO and the other NGO umbrella groups and networks have been engaged in a variety of cooperative efforts to promote public policy dialogue and to enhance the dissemination of appropriate and relevant information within the NGO sector and to the general public.

5. **Public Image**: The DRC has been engaged in a dialogue with other South African NGOs to develop strategies and mechanisms to build greater public awareness of the vital role of the NGO sector in civil society, and the role of NGOs in the social service delivery system.

APPENDIX A

ACRONYMS AND ABBREVIATIONS

CAF	Charities Aid Foundation
CBO	Community Based Organization
DID	Department for International Development
DRC	Development Resource Centre
NGO	Non-governmental Organization
PACT	Private Agency Collaborating Together
PME&R	Performance Monitoring, Evaluation and Reporting
S.A.	South Africa
SAGA	South African Grantmakers Association
SANGOCO	South African National NGO Coalition
SO	Strategic Objective
T.A.	Technical Assistance
USAID	United States Agency for International Development

APPENDIX B

SCOPE OF WORK

The original scope of work for this consultancy (see copy on following page) was subsequently modified based on conversations between the consultant and the USAID/SA staff during the initial briefing and planning meeting on the first "on site" day of the assignment. Based on a realistic assessment of the time and resources available for this assignment, and a determination of USAID's priorities, the modified scope of work focused on the following areas:

1. **Define the Universe:** The consultant was asked to produce a profile of the NGO sector in South Africa - How many organizations, location, sectors, etc. (Note: Early on in the assignment it was determined that "The Southern African Development Directory - 1997/98 Edition" , published by PRODDER (in collaboration with SANGOCO and the Human Sciences Research Council) would satisfy the requirements of this item in the scope of work. A copy was purchased and provided to USAID.)

2. **Support Available to NGOs to Strengthen and Develop Sustainability:** The consultant was directed to postpone the gathering of information about the government of South Africa interface with the NGO sector until a subsequent phase of this study. But the consultant did investigate the efforts of other parties, such as donors, foundations, and NGOs, to strengthen and develop sustainability in the NGO sector.

3. **What are the NGOs Interests in and Attitudes Toward Sustainability?** The development of a national survey, based on representative sampling, was postponed until a subsequent phase of this study. Instead the consultant conducted a series of informal individual and group interviews with a cross section of more than 50 representatives of the international donor community and the South African NGO sector. The information, observations and insights shared by these interviewees comprised a primary and invaluable resource for the consultant's work on this assignment.

4. **What can be learned from others?** The consultant reviewed a comprehensive selection of documents on what other parties, e.g. USAID, other international donors and some of the major South African NGOs have done and/or are planning to do in this field. The results of this document search are reflected in this final report.

5. **A Final Report -** to USAID including a discussion of information gleaned and recommendations/options for next steps.

Consultancy to
Perform Preliminary Research & Formulate Options
Concerning the Sustainability of South African NGOs

ORIGINAL SCOPE OF WORK

I.   Background:

During the NGO Day which was part of the recently-held Annual Consultations between the government of South Africa (RSA) and USAID/SA, interest was expressed by the NGOs in seeing USAID/SA get involved in and explore the issue of the long-term sustainability of South African NGOs.

II.   Objective of the Consultancy:

The objective of the consultancy is two-fold:

- to determine the long-term needs of the South African NGO community in planning for and implementing strategies leading to their sustainability over the long-term; and

- to formulate recommendations and outline options for future support and assistance in this area.

III.   Purpose of the Consultancy: the consultancy is intended to form the basis or platform for future planning and the formulation of future strategies for the sustainability of NGOs including, but not limited to, the creation of endowments.

IV.   Background and Context of the Consultancy:

For over 13 years, USAID/SA has provided support to a wide range of South African NGOs. Initially, this support was intended to strengthen the role of the NGOs in the struggle for freedom and as a means of reaching that portion of the historically disadvantaged population not serviced by the RSA and other institutions.

While USAID/SA support to NGOs has continued since the 1994 elections, USAID/SA and the donor community have, since the elections, channeled a substantial portion of their support through the RSA. One result is that many NGOs have found it difficult if not impossible to survive.

Moreover, while a strong NGO sector in the "new democracy" that is South Africa is not being questioned, the precise role of NGOs is the subject of heated debate. For example, the extent to which the RSA should fund NGOs to provide services when government service capacity is weak is an issue.

The donors continue to support NGOs in specific areas, mostly service delivery; and the RSA has created the National Development Agency (NDA) to interface with the NGOs and to provide a forum for their participation in the ongoing development debate. The NGO community has itself been debating issues related to sustainability and is attempting to develop mechanisms to address sustainability and related issues, e.g. the NGO Coalition and the work by PACT and Sedibeng related to the development of organizational capacity. During NGO Day, the 12 NGOs present indicated to USAID/SA that further work on NGO sustainability was needed and that USAID/SA assistance in that regard would be welcomed.

V.   Problem(s):

There exists a lack of understanding of what types of assistance are needed and desired by the NGOs concerning their sustainability and an understanding and definition of the appropriate roles of the donors, the RSA, and the NGOs themselves in providing such assistance. In addition, it is not known if the concept and definition of "sustainability" is shared by the donors and the NGOs.

VI.   Tasks and Responsibilities:

1.0   **Define Broadly the NGO Universe:** utilizing secondary information to the maximum extent possible, produce a profile of the NGO sector in South Africa including the number of organizations, their locations, the sectors in which they operate, and other pertinent information. (It is anticipated that much of this information exists and can be gleaned from NGO networks, databases, and similar related sources.

2.0   Obtain an understanding of USAID/SA's definition and concept of "sustainability" and ensure the mutuality of understanding of the term "sustainability" by both the NGOs and USAID/SA.

3.0   **Support Available to NGOs:**
3.1   gather and synthesize information on the linkages and interaction between NGOs and the RSA; and investigate the efforts of other parties, i.e. donors, foundations, NGOs, etc., to strengthen and develop NGO sustainability; and
3.2   identify, to the extent feasible and within the time allowed, NGO resources of a human and technical nature; and
3.3   assess and formulate recommendations concerning financial resource-development mechanisms and sources of funds available to the NGOs such as donor funding, RSA funding, private contributions, and user fees, etc.

4.0   **NGO Attitudes re: Sustainability:** design and develop a survey to be applied nationally to:
        a)   provide information through representative sampling on:
                i)   NGO interest in participating in the dialogue on development alluded to above;
                ii)   NGO ability to effectively participate in that dialogue;
                iii)   key issues pertaining to sustainability; and
                iv)   the felt needs of the NGOs concerning sustainability.
        b)   determine NGO interest in and need for information and interchange on issues such as:
                i)   organizational development;
                ii)   tendering and bidding on contracts, and
                iii)   resource base development.

5.0   **Lessons Learned/Survey of Best Practices:** conduct a document search and prepare a synthesis of work already performed in this area by other parties, e.g. other USAID missions, the World Bank, and other relevant donors.

6.0   **Final Report of Consultancy:** a final report should be prepared in hard copy and diskette and submitted to Macro/PME for onward submission to USAID/SA. The report must contain an Executive Summary, a discussion of findings, and recommendations and options for next steps.

VII.   Methodology: the consultancy/assignment should be carried out with the understanding that it is an initial and rapid assessment of the issues and institutions pertaining to the sustainability of South African NGOs. A significant amount of research will be performed though focus groups, approximately six (6) of which may be held in Cape Town, Durban, Guateng Province (Johannesburg/Pretoria), possibly Port Elizabeth, and, for rural NGOs, Northern Province.

VIII.   Duration of the Assignment: not to exceed 20 workdays; a six-day work-week is envisioned.

IX.   Work-Plan:

1.0   **Time-Line:** the consultancy will be roughly divided, time-wise, into our (4) phases to include: two (2) days at the beginning of the consultancy for the consultant to meet with USAID/SA representatives, the Macro/PME project team, and other relevant entities in Pretoria and to develop a Plan of Action for the consultancy; b) the major part of the consultancy to include travel outside Pretoria; c) a final in-country period of 2-3 days in Pretoria to debrief USAID/SA on findings and to produce a draft report of the consultancy outlining findings, recommendations, and options for future action; and 2 days in the U.S. to finalize the report after receiving USAID's comments on the submitted draft.

2.0   **Operational Phases:** from an operational standpoint, the consultancy will be divided into two (2) major phases, as follows: a) Phase I: to produce the survey instrument; and b) Phase II: if time permits, to pilot the survey, prepare a draft report on findings, and formulate options and recommendations for future action.

APPENDIX C

LIST OF PERSONS/ORGANIZATIONS INTERVIEWED IN SOUTH AFRICA

Tue. - May 26, 1998	MACRO International, Inc.	- Michael A. Viola, Chief of Party/PME Project Director
	USAID	- Aaron S. Williams, Director
		- Henry W. Reynolds, Deputy Director
		- Karen Freeman, PPDO
Thur. - May 28, 1998	MACRO International, Inc.	- Michael Obert, PME Coordinator/ SO1
	PACT	- Marilyn W. Richards, Country Representative
	Sedibeng	- Reuben Mogano, Assoc. Director - Programme
Fri. - May 29, 1998	MACRO International, Inc.	- Oda van de Kemp, PME Evaluation Specialist
Mon. - June 1, 1998	USAID	- Patrick Fine (SO2 - Education)
		- Steve Brent (SO1 - D/G)
		- Renee Saunders (SO3 - Health HIV/AIDS)
		- Nokuzola Mamabola, COTR
Tue. - June 2, 1998	NGO Consultant	- David Cuthbert
		- Griffiths Zabala
	Sedibeng	- Rams Ramashia, Chief Executive Officer
	NGO Coalition	- Rams Ramashia, President
Wed. - June 3, 1998	Educ. Opportunities Council	- Eleanor Molefe, Executive Director
Thur. - June 4, 1998	Nat. Inst. for Comm. Educ.	- Silas Zuma, Executive Director
	Centre for Policy Studies	- Steven Friedman, Director
	Interfund	- Barry Smith, Director
Fri., June 5, 1998	European Commission	- Robert De Vogelaere, Attaché
	Human Rights Foundation	- Nicolas Marcoux, Director
	British DFID	- Frank Black, South Africa Programme Manager
	SANGOCO (NGO Coalition)	- Kumi Naidoo, Executive Director
	Charities Aid Foundation	- Eugene G. Saldanha
Mon. - June 8, 1998	Swedish Embassy	- Thomas Kjellson, First Secretary
	NIPILAR	- Richard Thabo Moloko, Executive Director
	NIPILAR	- Mohamed Shafie Ameermia, Advisor

HIV/AIDS Group:

Centre for Dev. & Pop. Act.	- Seema S. Chauhan, Director, Better Life Options
Opeleng Community Centre	- Enea Motaung, Chief Co-ordinator
YMCA	- Treven Hendricks, National Secretary
AIDS Law Project	- Phumzile Mtetwa, Finance Project Officer
NPPHCN	- Mathabo Molobi, Networking and Information Manager

Tue. - June 9, 1998	CDRA	- Alan Kaplan
	AIPA	- Bax Nomvete, Executive Director
		- Lula Gebreyuesus, Deputy Executive Director
	Open Society Foundation	- Michael Savage, Executive Director
	NGO Consultant	- Radya Ebrahim
Wed. - June 10, 1998	Desmund Tutu Trust	- Thandiwe January - McLean, Executive Director
	IDASA	- Wilmot James, Executive Director
	People's Dialogue	- Joel Bolnick
Thurs. - June 11, 1998	OLIVE	- Michael Randel
		- Michelle Odayan
	Community Law Centre	- Bongani I. Khumalo, Director
	The Media in Trust Education	- Wilna Botha, Director
	ACCORD	- Vasu Gounden
Fri. - June 12, 1998	The Ford Foundation	- John D. Gerhart, Rep. for South Africa and Namibia
Mon., June 15, 1998	SAGA	- Mokhethi Moshoeshoe, Executive Director
	The Dev. Resources Centre	- Gavin Andersson, Executive Director
	"BLUE"	- Phillip Thobela, Project Leader
	NTINGA	- Guy Winship
Wed., June 17, 1998	U.S. Embassy	- Ambassador James Joseph
	USAID	- Peter Natiello, Deputy Team Leader (SO1 - D/G)